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**REMARKS**

In view of the following discussion, the Applicants submit that none of the claims now pending in the application is made obvious under the provisions of 35 U.S.C. §103. Thus, the Applicants believe that all of these claims are now in allowable form.

**I. REJECTION OF CLAIMS 1-15 AND 24-26 UNDER 35 U.S.C. § 102**

Claims 1-15 and 24-26 stand rejected as being anticipated by the Kouznetsov et al. patent (United States Patent No. 6,931,546, issued August 16, 2005, hereinafter "Kouznetsov"). In response, the Applicants have amended independent claims 1 and 24, from which claims 2-15 and 25-26 depend, in order to more clearly recite aspects of the invention.

The Examiner's attention is respectfully directed to the fact that Kouznetsov fails to teach, show or suggest the novel invention of providing a software application in a hardware device, where the hardware device is configured to sit between a software manufacturer and an end user computer in order to provide continued service to the end user computer, as positively claimed in the Applicants' amended independent claims 1 and 24.

By contrast, Kouznetsov teaches software that runs on a client machine (end user computer), where the client machine is directly in communication with an applications server via an agent running on the client machine. That is, the software is executable directly on the client machine, and the client machine directly accesses the applications server for continued service (e.g., software updates).

The Applicants' claims are directed to a hardware intermediary that sits between a client device (e.g., an end user computer) and a source of continued service (e.g., a software manufacturer or third-party service provider). The hardware intermediary acts as a dedicated device that executes the software, eliminating the need for the software to be installed and updated on the client device. Specifically, Applicants' claims 1 and 24, as amended, recite:

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1. A method for distributing software comprising:  
providing a software application on a hardware device by a manufacturer of said software application, wherein said software application is executable on said hardware device;  
distributing said hardware device for connection to an end user computer;  
and  
providing a continued service for said software application, wherein said hardware device is adapted to provide said continued service to said end user computer via a communication link between said hardware device and said manufacturer. (Emphasis added)
24. A system for using software applications comprising:  
an end user computer;  
at least one hardware device having a software application executable in said hardware device, wherein said hardware device is provided by a manufacturer of said software application and is in communication with said manufacturer via a communication link; and  
a network adapted to connect said at least one hardware device to said end user computer. (Emphasis added)

The Applicants' invention is directed to a method and an apparatus for distributing software and providing associated services for the distributed software. The need to provide customer support for installation or run time problems associated with software installation drives up the costs of conventional methods for distributing software. In addition, any downtime associated with non-installation of the software may in some instances cause the client to incur substantial costs. Moreover, using compact discs or other computer readable media as a means to distribute software makes illegal copying of software trivial. The cost associated with pirated software is substantial to the software developer.

The Applicants' invention addresses these concerns by providing a secured method of selling and distributing software and related services and of utilizing the received software. In the method of distribution, a software application is provided on a hardware device by a manufacturer of the software application, wherein the software

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application is executable directly on the hardware device. The hardware device is enclosed within an enclosure (e.g., a tamper resistant enclosure) and distributed to the customers. The manufacturer may provide associated services for the software application, wherein the hardware device is connectable between at least one end user's computer and the manufacturer or potentially with a third party provider of the associated services. The hardware device is adapted to provide the associated services via a communication link between the hardware device and the manufacturer (e.g., a web site or a computer system operated by the software manufacturer) or a third party provider of the associated services.

As discussed above, Kouznetsov simply does not teach, show or suggest providing a software application in a hardware device, where the hardware device is configured to sit between a software manufacturer and an end user computer in order to provide continued service to the end user computer, as recited in Applicants' independent claims 1 and 24. As such, the Applicants submit that claims 1 and 24 are not anticipated by the teachings of Kouznetsov. Therefore, the Applicants respectfully submit that claims 1 and 24 fully satisfy the requirements of 35 U.S.C. §102 and are patentable thereunder.

Claims 2-15 and 25-26 depend, respectively, from claims 1 and 24 and recite additional features. As such, and for at least the same reasons stated above with respect to claims 1 and 24, the Applicants respectfully submit that claims 2-15 and 25-26 also fully satisfy the requirements of 35 U.S.C. §102 and are patentable thereunder.

## **II. REJECTION OF CLAIMS 16-23 UNDER 35 U.S.C. § 103**

Claims 16-23 stand rejected as being unpatentable over Kouznetsov in view of the Cheng et al. patent (United States Patent No. 6,151,643, issued November 21, 2000, hereinafter "Cheng"). In response, the Applicants have amended independent claim 16, from which claims 17-23 depend, in order to more clearly recite aspects of the invention.

Applicants' independent claim 16, as amended, positively recites:

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16. A method for utilizing software comprising:  
purchasing a software application with a selectable service level of a continued service;  
receiving said software application on a hardware device, wherein said software is executable on said hardware device;  
connecting said hardware device to a computer; and  
receiving said continuing service from a software manufacturer of said software application via a communication link between said hardware device and said software manufacturer, in accordance with said selectable service level.

As discussed above, Kouznetsov fails to teach, show or suggest the novel invention of providing a software application in a hardware device, where the hardware device is configured to sit between a software manufacturer and an end user computer in order to provide continued service to the end user computer, as positively claimed in the Applicants' amended independent claim 16. Cheng fails to bridge this gap in the teachings of Kouznetsov. As such, the Applicants submit that claim 16 is not unpatentable over Kouznetsov in view of Cheng. Therefore, the Applicants respectfully submit that claim 16 fully satisfies the requirements of 35 U.S.C. §103 and is patentable thereunder.

Dependent claims 17-23 depend from claim 16 and recite additional features. As such, and for at least the same reasons discussed above with respect to claim 16, the Applicants respectfully submit that claims 17-23 also fully satisfy the requirements of 35 U.S.C. §103 and are patentable thereunder.

### **III. CONCLUSION**

Thus, the Applicants submit that all of the presented claims fully satisfy the requirements of 35 U.S.C. §102 and 35 U.S.C. §103. Consequently, the Applicants believe that all of the presented claims are presently in condition for allowance. Accordingly, both reconsideration of this application and its swift passage to issue are earnestly solicited.

If, however, the Examiner believes that there are any unresolved issues requiring the issuance of a final action in any of the claims now pending in the application, it is requested that the Examiner telephone Mr. Kin-Wah Tong, Esq. at (732) 530-9404 so that appropriate arrangements can be made for resolving such issues as expeditiously

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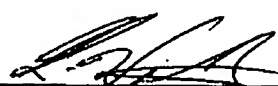
as possible.

Respectfully submitted,

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